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HEMORANDUM FOR THE PRESIDENT

Subject: Settlement of the Chamisal Dispute

In accordance with your understanding with President Lopez Mateos of Maxico, the Department of State, the Maxican Ministry of Foreign Relations, and the International Boundary and Water Commission have drawn up recommendations for a final solution to the Chamical dispute. The dispute originated with a shift in the channel of the Rio Grande at RI Paso, Texas in 1864. After a meeting between Presidents Taft and Diez in 1910, the dispute was submitted to international arbitration. The United States did not accept the arbitral award on the ground, among others, that the Arbitral Commission exceeded its terms of reference by dividing the tract. Each Administration since that time has attempted to work out a solution to the controversy.

A Memorandum which presents the essential features of a settlement in the form of recommendations to the Presidents has been drawn up by the two Foreign Offices. The recommended settlement entails a net transfer to Mexico of 137 acres of United States territory. (A map of the area showing the recommended boundary changes is enclosed). The Rio Grande would be relocated into a new channel so that all Mexican territory (366 acres in the Chamizal zone, 193 acres of Cordeva Island already under Mexican jurisdiction, and 264 acres east of Cordeva Island for a total of 823 acres) would be scuth of the Rio Grande.

Press statements expressing acceptance of the recommendations have been drafted for you and President Lopez Mateos to issue simultaneously with the public release of the Memorandum. Finally, there is general agreement on an exchange of notes which would incorporate a related understanding on payment for structures which would pass intact to Maxico, which because of the sensitivity of this problem in Mexico, the Mexican Government prefers to handle separately from the Memorandum.

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These documents would represent a commission to conclude a convention on the terms recommended in the Manorandum. Once the recommended terms are formally accepted by both Presidents, the Fareign Offices would proceed as multiply as possible to conclude a convention, which would be submitted to the respective Sanates for approval.

the lands and improvements in the areas involved and our share of the cost of relocating the river channel, replacing existing bridges, and moving two rail lines would be about \$18 million. This figure is based on preliminary estimates, and would entail an appropriation of \$26.5 million, offset subsequently by reinbursement of \$1.7 million for structures passing intact to Mexico and by \$3.3 million from sale of a portion of the land acquired by the United States. The cost of relocating in river channel and of erecting new bridges is to be shared equally. Some 3,750 persons would have to be evacuated from the part of the Chamizal and the area east of Cordova Island to be transferred to Mexico.

Ambassador Menn, United States Commissioner Friedkin on the International Boundary and Mater Commission, and officials of the Department have regularly over the last several months consulted with local, Texas and Federal officials and with members of Congress. Officials of KL Paso and Texas, including Governor Connally, and most community leaders in KL Paso favor a settlement and have indicated acceptance of the one proposed. Within the last week the following have been advised in detail of the terms and timing of the proposed settlement, either directly or indirectly according to their preference: The Vice President through Mr. Jenkins; Senator Mansfield through Mr. Valco; all members of the Senate Foreign Relations Committee by a memorandum prepared by the Foreign Relations Committee Staff: Senators Korse and Hickenlooper had been consulted in detail previously; Senstor McClellan through Hr. Westbrook; Senator Hayden by memorandum; Senators Tarborough, Tower and Saltonstall directly; Congressman Morgan through Mr. Grawford of the House Foreign Affairs Committee Staff; Congresswoman Bolton and Congressmen Bow, Selden and Foreman directly, and Congressmen Hailliard, Cannon, and Rooney by memorandum. Only Senator Tower and Congressmen Foreman have expressed reservations, but have not indicated they are opposed. No significant organized opposition to the settlement has been expressed in Texas except by home owners in the actual area to be transferred and by extremist groups. '

I recommend that you approve the general terms for settlement of the dispute, and authorize the Department to reach

agreement

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agreement with Mexico on the Memorandum and the Presidential statements approxing it and their release to the press, and he proceed with the hegotiation and signing of a Chamish bonvention.

I also recommend that, before public release of the terms of settlement, you consider meeting with the above-mentioned members of the Congress to inform them of your decision or have an appropriate member of your staff consult them.

18! George W. Ball

Acting Secretary

## Enclosures:

- 1. Foreign Offices! Draft Personandum of Recommendation.
- 2. Map of MI Pasc-Juarez area.
- 3. Proposed Presidential press statement.
- 4. Proposed press statement for President Lopez Matecs.

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